#### 2012 ELIGIBLE TELECOMMUNICATIONS CARRIER CERTIFICATION REPORT AS REQUIRED BY WAC 480-123-060, WAC 480-123-070, AND WAC 480-123-080

#### CENTURYTEL OF WASHINGTON, INC. D/B/A CENTURYLINK AND CENTURYTEL OF INTER-ISLAND, INC. D/B/A CENTURYLINK

CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink (the "Company") hereby submit the following report in accordance with WAC 480-123-060, WAC 480-123-070, and WAC 480-123-080.

WAC 480-123-060(1): Each ETC seeking certification of the ETC's use of federal high-cost funds pursuant to 47 C.F.R. §§ 54.307, 54.313, or 54.314 must request certification by July 31 each year. The ETC must certify that it will use federal high-cost universal service fund support only for the provision, maintenance, and upgrading of the facilities and services for which the support is intended. The certification must be submitted by a company officer in the manner required by RCW 9A.72.085.

Response: Certification attached as Exhibit A.

WAC 480-123-060(2): The commission will certify an ETC's use of federal high-cost universal service fund support, pursuant to 47 C.F.R. §§ 54.307, 54.313, or 54.314 only if the ETC complies with the requirements in WAC 480-123-070, and the ETC demonstrates that it will use federal high-cost funds only for the provision, maintenance, and upgrading of facilities and services for which the support is intended through the requirements of WAC 480-123-080

Response: See responses to WAC 480-123-070 and WAC 480-123-080 below.

WAC 480-123-070 Annual certifications and reports.

Not later than July 31 of each year, every ETC that receives federal support from any category in the federal high-cost fund must certify or report as described in this section. The certifications and reports are for activity related to Washington State in the period January 1 through December 31 of the previous year. A company officer must submit the certifications in the manner required by RCW 9A.72.085.

- (1) Report on use of federal funds and benefits to customers.
- (a) For an ETC that receives support based only on factors other than the ETC's investment and expenses, the report must provide a substantive description of investments made and expenses paid with support from the federal high-cost fund.

For ETCs that receive any support based on the ETC's investment and expenses, the report must provide a substantive description of investment and expenses, such as the NECA-1 report, the ETC will report as the basis for support from the federal high-cost fund.

Response: Attached as Exhibit B is a copy of the Company's NECA-1 Report associated with the Company's operations in 2009. The plant investment and expense amounts listed on the report represent the basis for federal high cost funding support received in 2011. The attached report is also the basis of current support levels. Per FCC 11-161, the Connect America Fund order, current universal service funding levels are frozen based on the amount of support that was received by each company in 2011. Additionally, attached as Confidential Exhibit C is a Company report labeled USF 1010, showing the same type of information as the NECA-1 report. This report reflects the Company's continued operations in 2011. Confidential Exhibit C contains confidential financial information as recognized under RCW 80.04.095. Therefore the schedule is being submitted as a CONFIDENTIAL document under WAC 480-07-160 and RCW 80.04.095.

(b) Every ETC must provide a substantive description of the benefits to consumers that resulted from the investments and expenses reported pursuant to (a) of this subsection.

Response: The Company reports that the investment in plant and the expenses reported in Exhibit B and Confidential Exhibit C submitted herewith provide very direct and substantial benefits to consumers. Over the years the Company has invested millions of dollars in building, maintaining, and operating a telecommunications network in the state of Washington. It is the growth, enhancement, and continued viability of this network that give consumers in the Company's service territory access to services that are vital in meeting their telecommunications needs. The expenditures reflected in the Company's exhibits have allowed the Company to provide services that meet the expectations addressed in 47 U.S.C. 254 for consumers in the service area for which the Company is designated as an Eligible Telecommunication Carrier.

The expenditures reflected in Exhibit B and Confidential Exhibit C were directed to assuring that the network is positioned to meet the ever increasing needs and expectations of consumers. The company's expenditures included projects to increase network capacity. (1) For example, projects that added fiber to the network increased the network's capacity. Consumers benefit from increased capacity in that it allows additional consumers to join or access the network, allows additional services to be offered over the network, and reduces the likelihood that calls will be blocked.

Company expenditures have also gone to maintaining and increasing network reliability. Ability to access the network during periods of power outages clearly benefits the health and safety of consumers. Network reliability also benefits consumers by generally increasing the overall quality of service.

(2) Local service outage report. ETCs not subject to WAC 480-120-412 and 480-120-439(5) are required to report local service outages pursuant to this subsection. The report

<sup>&</sup>lt;sup>1</sup> Exhibit B and Confidential Exhibit C do not identify expenditures at the project level. The projects underlying the expenditures on these reports would tend to be very similar to those identified in response to WAC 480-123-080 (1) (b) which does identify certain planned expenditures at the project level.

must include detailed information on every local service outage thirty minutes or longer in duration experienced by the ETC. The report must include:

- (a) The date and time of onset and duration of the outage;
- (b) A brief description of the outage and its resolution;
- (c) The particular services affected, including whether a public safety answering point (PSAP) was affected;
  - (d) The geographic areas affected by the outage;
  - (e) Steps taken to prevent a similar situation in the future; and
  - (f) The estimated number of customers affected.

**Response:** The Company is exempt from this requirement as it is subject to WAC 480-120-412 and WAC 480-120-439(5).

(3) Report on failure to provide service. ETCs not subject to WAC 480-120-439 are required to report failures to provide service pursuant to this subsection. The report must include detailed information on the number of requests for service from applicants within its designated service areas that were unfulfilled for the reporting period. The ETC must also describe in detail how it attempted to provide service to those applicants.

**Response:** The Company is exempt from this requirement as it is subject to WAC 480-120-439(5).

(4) Report on complaints per one thousand handsets or lines. The report must provide separate totals for the number of complaints that the ETC's customers made to the Federal Communications Commission, or the consumer protection division of the office of the attorney general of Washington. The report must also generally describe the nature of the complaints and outcome of the carrier's efforts to resolve the complaints.

**Response:** The Company reports that there were 0.54 complaints per thousand access lines during calendar year 2011 for supported services as reported to any federal and/or state agencies, including the Federal Communications Commission, the Consumer Protection Division of the Office of the Attorney General of the State of Washington, and the Washington Utilities and Transportation Commission.

Company had 10 complaints to the FCC. The complaints were as follows:

- 1 Customer Service Complaint resolved by providing explanation.
- 3 Repair, resolved by repair or referral to correct service provider.
- 4 Disputed Charges, resolved by explanation of charges or crediting accounts.
- 1 Other Carrier, resolved by helping with number port.
- 1 Service issues, resolved by provision of service.

Company had 14 complaints to the office of Attorney General. The complaints were as follows:

- 2 Directory Issues, referred to directory publisher.
- 1 Repair, repair completed.
- $1 3^{rd}$  Party Billing, referred to correct service provider.
- 7 Disputed Charges, resolved by explanation of charges or crediting accounts.
- 3 Advertisement Complaints, provided an explanation of the meaning of terms.
- (5) Certification of compliance with applicable service quality standards. Certify that it met substantially the applicable service quality standard found in WAC 480-123-030 (1)(h).

Response: Certification attached as Exhibit A.

(6) Certification of ability to function in emergency situations. Certify that it had the ability to function in emergency situations based on continued adherence to the standards found in WAC 480-123-030 (1)(g).

Response: Certification attached as Exhibit A.

(7) Advertising certification, including advertisement on Indian reservations. Certify it has publicized the availability of its applicable telephone assistance programs, such as Lifeline, in a manner reasonably designed to reach those likely to qualify for service, including residents of federally recognized Indian reservations within the ETC's designated service area. Such publicity should include advertisements likely to reach those who are not current customers of the ETC within its designated service area.

Response: Certification attached as Exhibit A.

WAC 480-123-080 Annual plan for universal service support expenditures.

- (1) Not later than July 31 of each year, every ETC that receives federal support from any category in the federal high-cost fund must report on:
- (a) The planned use of federal support related to Washington state that will be received during the period October 1 of the current year through the following September; or
- (b) The planned investment and expenses related to Washington state which the ETC expects to use as the basis to request federal support from any category in the federal high-cost fund.

**Response:** The Company submits herewith Confidential Exhibit D entitled "CenturyLink 2012 Planned Investments." The schedule is not all-inclusive of the Company's planned capital expenditures but does list some of the more significant projects the Company is undertaking in 2012. The exhibit is quite detailed with regard to equipment, location, and

cost and therefore constitutes valuable commercial information in the form of network configuration and design information as recognized under RCW 80.04.095. Therefore the schedule is being submitted as a CONFIDENTIAL document under WAC 480-07-160 and RCW 80.04.095. The Company also expects to incur expenses associated with maintaining and operating its network in the state of Washington at a level that will be similar to the expenses indicated on Exhibit B and Confidential Exhibit C submitted in response to WAC 480-123-070(1)(a). The Company also submits Confidential Exhibit E entitled "CenturyLink 2011 Planned Investments Progress Report". The exhibit describes the status of construction projects during 2011 and is being submitted as a CONFIDENTIAL document under WAC 480-07-160 and RCW 80.04.095.

(2) The report must include a substantive plan of the investments and expenditures to be made with federal support and a substantive description of how those investments and expenditures will benefit customers.

Response: The Company states that federal support will be used only for the provision, maintenance, and upgrading of the facilities and services for which the support is intended under 47 U.S.C. 254. The federal support will be used to fund operation of, and improvements to, the network, including some of the various projects included on the CenturyLink 2012 Planned Investments exhibit as well as expenses at a level similar to that indicated on Exhibit B and Confidential Exhibit C submitted in response to WAC 480-123-070(1)(a). The Company's use of federal support in this manner will benefit consumers. As discussed previously in this report, these types of expenditures will serve to sustain and improve network capacity and reliability. This network capacity and reliability is essential to providing the level of service anticipated in 47 U.S.C. 254 and therefore benefits consumers.

For more specific consumer benefits associated with planned expenditures, the Company incorporates by reference the column of the CenturyLink 2012 Planned Investments schedule that is entitled "Narrative." The narrative for each project on the schedule identifies specific improvements that will benefit consumers in specific areas.

(3) As part of the filing required by this section to be submitted in 2007, and at least once every three years thereafter, a wireless ETC must submit a map in .shp format that shows the general location where it provides commercial mobile radio service signals.

Response: This is not applicable to the Company, as it is not a wireless ETC.

# EXHIBIT A

#### AFFIDAVIT CONTAINING CERTIFICATIONS AS REQUIRED BY WAC 480-123-060 AND WAC 480-123-070

I, David D. Cole, being of lawful age and duly sworn, on my oath state that I am Senior Vice President and Controller for CenturyLink, Inc. and an officer of CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink ("Company"), that I am authorized to execute this affidavit on behalf of the Company, and that the facts set forth in this affidavit and the accompanying reports are true to the best of my knowledge, information, and belief. On this basis, I hereby certify to the Washington Utilities and Transportation Commission ("Commission") for use by the Commission in providing the certification to the Federal Communications Commission and Universal Service Administrative Company required by 47 C.F.R. §54.314, as follows:

- (1) That any federal high-cost universal service fund support received by the Company within Washington was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended;
- (2) That during the 2011 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
- (3) That during the 2011 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wire line carriers in emergency situations; and
- (4) That during the 2011 calendar year, the Company publicized the availability of its applicable telephone assistance programs in a manner reasonably designed to reach those likely to qualify for service, including residents of any federally recognized Indian Reservations within the Company's service territory and, in a manner which, in the Company's judgment, included advertisements likely to reach those who are not current customers of the Company within the Company's designated service area.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct:

FURTHER AFFIANT SAYETH NOT.

Dated this 25 day of July, 2012

Company: CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink

David D. Cole, Senior Vice President and Controller

Subscribed to and sworn before me this 25 day of July, 2012 in Monroe, Louisiana.

Notary Public

Printed Name of Notary

My Commission Expires:

TERRI GUICE
STATE OF LOUISIANA
Union Parish
Louisiana Bar Roll No. 8622
My Commission Expires at Death

# EXHIBIT B



Subset 1

#### USF1010 LATEST VIEW REPORT



Conta Conta	es to Period: ct Name: ct Phone:	Year End 12/2009 Donnie Aultman (318)-388-9497 Ext:	Reg: MSM: OO:	2 000021047 200000016	SOUTHERN Marilyn Stewart CenturyTel, Inc. dba C	-
	se Status: idit Status:	Special Released Passed Edit	Co: SAR:	300000440 522408	CenturyTel, Inc. dba C CENTURYTEL-WASH	
Descr	iption			Latest View		
060	Total Loops			137,679		
070	Cat. 1.3 Loops			131,418		
160	Account 2001			643,092,926		
170	Account 1220			0		
190	Account 3100			418,174,288		
195	Account 3400			0		
210	Account 4340			43,563,262		
220	Net Plant Investme	nt		181,355,376		
230	Account 2210			92,309,680		
235	Account 2220			0		
240	Account 2230			149,742,435		
245	Total Central Office	•		242,052,115		
250	Ckt Equip Cat 4.13			91,064,213		
255	Account 2410			371,808,197		
260	Account 3100 (221)	·		60,491,261		
265	Account 3100 (222)	*		143 403 090		
270	Account 3100 (223)			113,402,089		
275	Account 3100 (221)			173,893,350		
280 310	Account 3100 (241)			230,530,514 6,253,079		
315	Account 4340 (221)			0,200,010		
320	Account 4340 (222) Account 4340 (223)			10,143,587		
325	Account 4340 (221)	•		16,396,666		
330	Account 4340 (241)			25,186,372		
335	Account 6110 Total			247,204		
340	Account 6110 Bene			37,194		
345	Account 6110 Rent			3,025		
350	Account 6120 Total			2,271,897		
355	Account 6120 Bene			134,137		
360	Account 6120 Rent	S		315,874		
365	Account 6210 Total	1		4,698,869		
370	Account 6210 Bene	efits		1,089,279		
375	Account 6210 Rent	s		43,154		
380	Account 6220 Tota	l		0		
385	Account 6220 Bene	efits		٥		
390	Account 6220 Rent	s		0		
395	Account 6230 Tota	l		2,394,176		
400	Account 6230 Bene	efits		436,265		
405	Account 6230 Rent	S		57,157		
410	Account 6210-6230	)		7,093,045		
430	Account 6410 Tota	1		14,692,930		
435	Account 6410 Bene	efits		2,908,778		
440	Account 6410 Rent	s		2,311,976		
445	Total Plant Specific			24,305,076		
450	Account 6530 Tota			5,113,672		
455	Account 6530 Bene			923,007		
510	Account 6560 (221	-		5,149,739		
515	Account 6560 (222			0		
520	Account 6560 (223	0)		11,561,961		



#### USF1010 LATEST VIEW REPORT



Applies to Period: Contact Name: Contact Phone: Release Status: Soft Edit Status:	Year End 12/2009 Donnie Aultman (318)-388-9497 Ext: Special Released Passed Edit	Reg: MSM: OO: Co: SAR:	2 000021047 200000016 300000440 522408	SOUTHERN S Marilyn Stewart CenturyTel, Inc. dba CenturyLink CenturyTel, Inc. dba CenturyLink CENTURYTEL-WASHINGTO	1
Description			Latest View		
525 Account 6560 (2210) 530 Account 6560 (2410) 535 Account 6710 Total 540 Account 6710 Bene 550 Account 6720 Total 555 Account 6720 Bene 565 Sum of Lines 535 + 600 Ben. Por. of all Op. 610 Rent Por. of all Op. 650 Account 7200 Other 700 2410 (C S Total CW 710 2410 (C S CWF - C 800 Account 2680 Total 805 Account 2680 Total 805 Account 2680 (2230 810 Account 2680 (2410) To 820 Acc 2680 (2410) CW 830 Account 6560 (2680	fits  fits  550  Exp.  Exp.  r Taxes  VF - AV)  at.1)  0)  4.13)  otal CWF		16,711,700 15,617,123 2,658,562 1,659,980 9,609,293 1,420,193 12,267,855 10,427,464 2,731,186 12,352,219 368,971,915 359,309,979 0 0 0		

#### Comments:

Date: 11/2/2010

 Centurytel of Washington had a 7.6% decrease in loops. Company lost 10K loops at the end of period. The decrease in loops caused by competition primarily from wireless carriers.

Date: 12/14/2010

2. Cat 1.3 loops decreased by 10,480 residential decreased 8,013 and business decreased 2,467.

# CONFIDENTIAL EXHIBIT C

#### USF1010

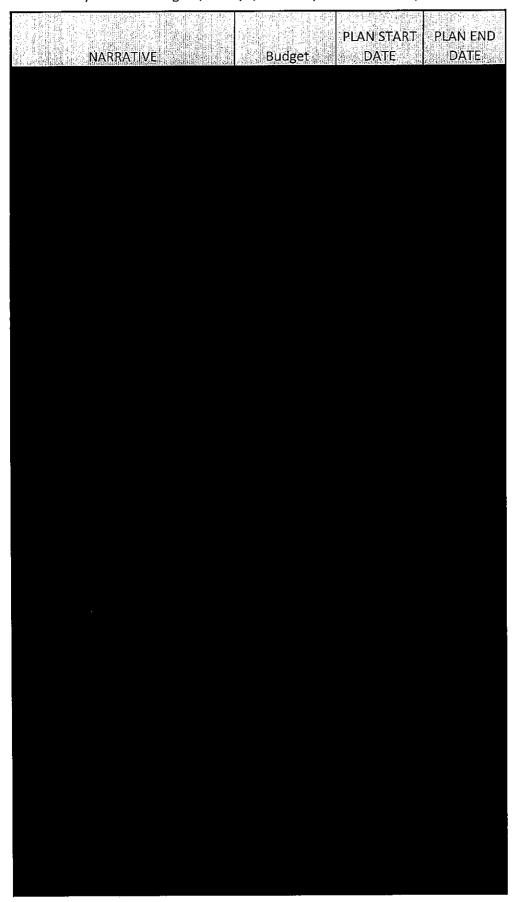
Study Area: CenturyTel of Washington/Inter-Island

(SAC 522408) Year End 12/31/2011

Description		
(060)	Total Loops	
(070)	Category 1.3 Loops	
(160)	a, Acct 2001 b, Acct 1220	
(170) (1 <del>9</del> 0)	c. Acet 3100	
(195)	d. Acct 3400	
(210)	g. Acct 4340	
(220)	h. Net Plant Investment	
(230)	a. Acct 2210	
(235)	b. Acct 2220	
(240)	c. Acct 2230	
(245)	d. Total Central Office	
(250)	e. Circuit Equip Cat 4.13 f. Acct 2410	
(255) (260)	g. Acct 3100(2210)	
(265)	h. Acct 3100(2220)	
(270)	i. Acct 3100(2230)	
(275)	j. Acct 3100(2210-2230)	
(280)	k. Acct 3100(2410)	
(310)	q. Acct 4340(2210)	
(315)	r. Acct 4340(2220)	
(320)	s. Acct 4340(2230)	
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(330) (335)	u, Acct 4340(2410) a, Acct 6110	
(340)	b. Acct 6110 (benefits)	
(345)	c, Acct 6110 (rents)	
(350)	d. Acct 6120	
(355)	e. Acct 6120 (benefits)	
(360)	f. Acct 6120 (rents)	
(365)	g. Acct 6210	
(370)	h, Acct 6210 (benefits)	
(375)	i, Acct 6210 (rents)	
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(395)	m. Acct 6230	
(400)	n. Acct 6230 (benefits)	
(405)	o. Acct 6230 (rents)	
(410)	p. Acct 6210-6230	
(430)	t. Acct 6410	
(435)	u. Acct 6410 (benefits)	
(440)	v. Acct 6410 (rents)	
(445)	Total Plant Specific	
(450)	a, Acct 6530	
(455) (510)	b. Acct 6530 (benefits) a. Acct 6560(2210)	
(515)	b. Acct 6560(2220)	
(520)	c. Acct 6560(2230)	
(525)	d. Acct 6560(2210-2230)	
(530)	e. Acct 6560(2410)	
(535)	a, Acct 6710	
(540)	b. Acct 6710 (benefits)	
(550)	c, Acct 6720	
(555)	d. Acct 6720 (benefits) e. (sum of lines 535+550)	
(565) (600)	a, Benefits Portion	
(610)	b. Rents Portion	
(650)	a. Acct 7200	
(700)	1. Cost Study Avg C&WF Acct 2410	
(710)	<ol><li>Cost Study Avg C&amp;WF Cat 1</li></ol>	
(800)	Acct. 2680 Tot Assets	
(805)	Acct. 2680 (2230) COE Trans	
(810)	Acct. 2680 (Cat. 4.13) COE Trans	
(815) (820)	Acct, 2680 (2410) Total CWF Acct, 2680 (2410) CWF-Cat 1	
(820) (830)	Acct. 6560 (2680) Dep & Amort	
(000)	Control Total	

# CONFIDENTIAL EXHIBIT D

NARRATIVE	Budget	PLAN START	PLAN END DATE



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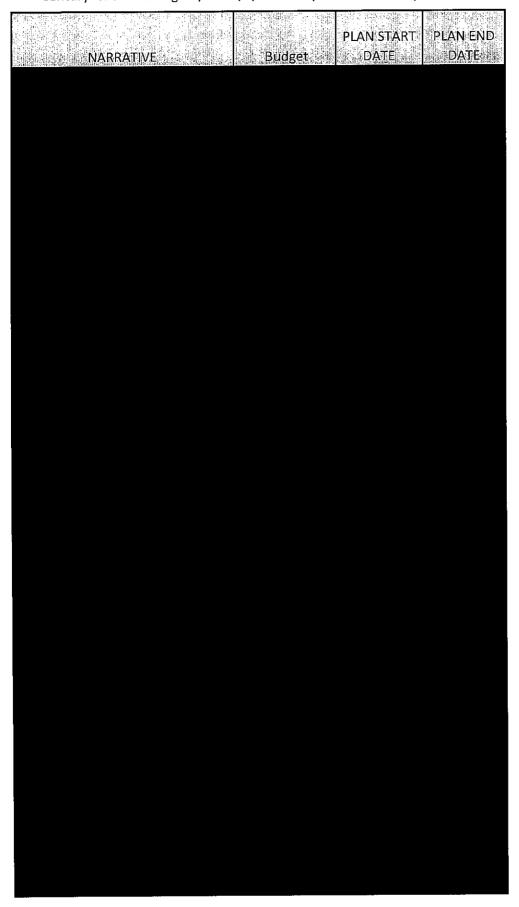
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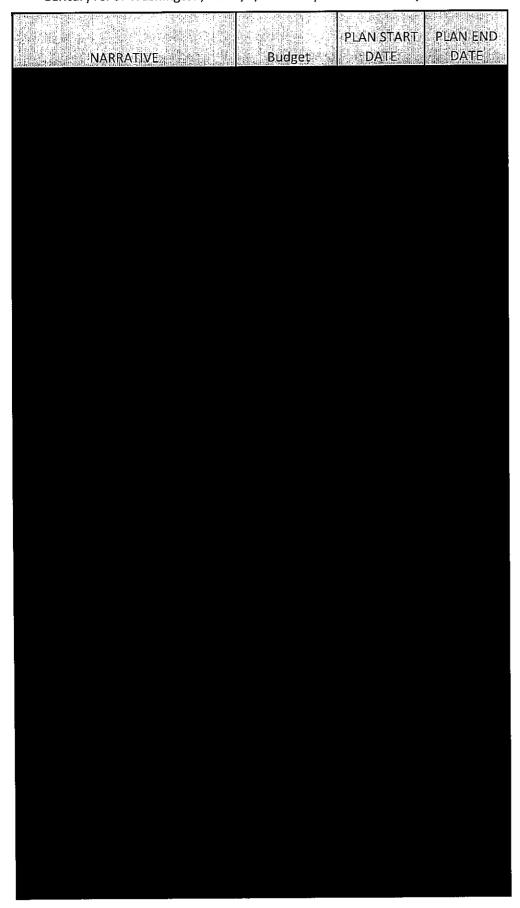
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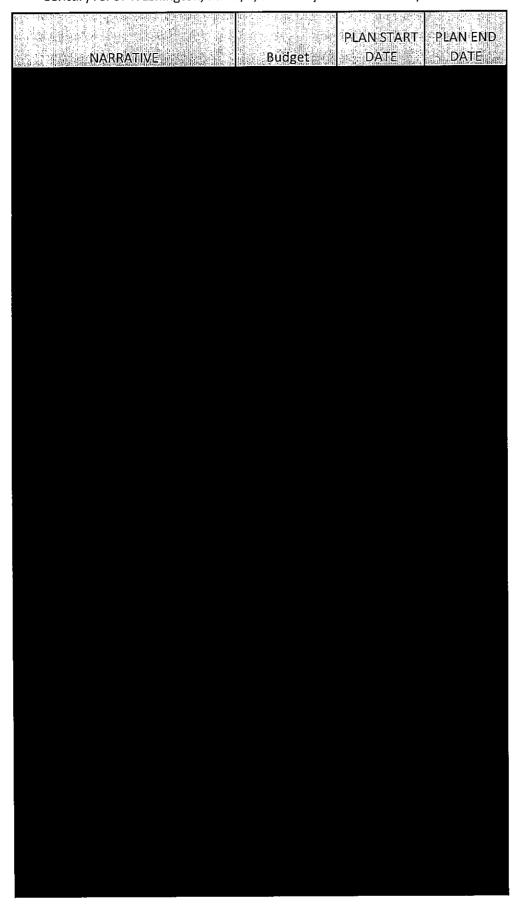


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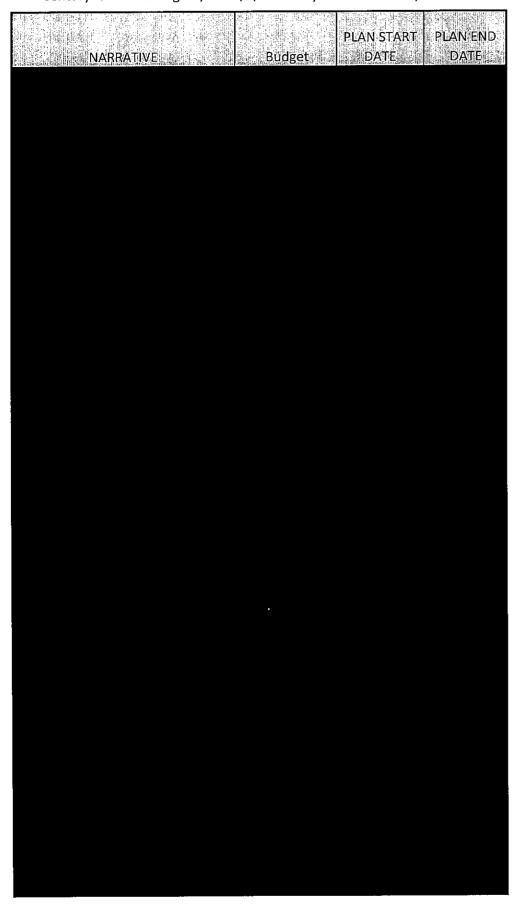
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NARRATIVE	Budget	PLAN START	PLAN END

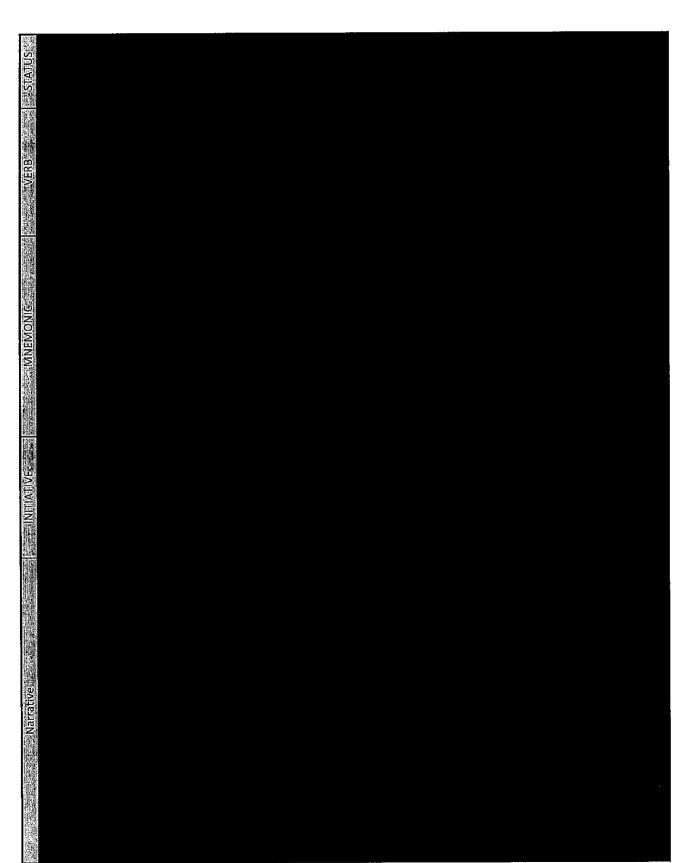
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# CONFIDENTIAL EXHIBIT E

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# CenturyLink 2011 Planned investments Progress Report

 $WAC\,480\,123-080\,(1)(8)$  CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink

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